

New Medicare Limits on Therapy Services

Starting on September 1, 2003, Medicare limits how much it covers for outpatient

- Physical Therapy (PT),
- Speech-Language Pathology (SLP), and
- Occupational Therapy (OT)

The limits are:

- \$1,590 per year for PT and SLP combined, and
- \$1,590 per year for OT

After you pay your \$100 yearly Medicare Part B deductible, Medicare pays its share (80%) and you pay your share (20%) of the cost. **In 2003, the limits only apply to therapy services you get between September 1 and December 31, 2003.** This means that you can get the full amount of the annual limits for this four month period.

The limits generally don't apply to the therapy services you get at hospital outpatient departments. Medicare should continue to pay for therapy services if you get them in a hospital outpatient department unless you reside in a Medicare-certified bed in a skilled nursing facility.

The therapy limits apply to outpatient therapy you get

From:

- Doctors,
- Physical therapists,
- Occupational therapists,
- Speech-language pathologists,
- Nurse practitioners,
- Clinical nurse specialists, and
- Physician assistants.

At:

- Private practices of therapists, physicians and non-physician practitioners,
- Outpatient rehabilitation facilities/rehabilitation agencies,
- Comprehensive outpatient rehabilitation facilities,
- Skilled nursing facilities (SNF) for outpatients or residents who aren't in Medicare-covered stays, and
- Home, from home health agencies for outpatients who aren't getting Medicare-covered home health care.



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Example 1:

Mr. Jones has Medicare Part A and Part B. He has already paid his yearly Part B deductible (\$100 in 2003). In September and October 2003, he got medically necessary PT and SLP at his therapists' private offices.

Mr. Jones' combined outpatient PT and SLP costs total \$2,000. The Medicare-approved limit is \$1,590.

- Medicare pays 80% of the \$1,590 limit (\$1,272).
- Mr. Jones pays 20% of the limit (\$318) and the extra amount over the limit (\$410).
- Mr. Jones pays a total of \$728 for these services.

Medicare won't cover any more outpatient PT or SLP for Mr. Jones until 2004, unless he gets it at a hospital outpatient department.

Example 2:

Ms. Jackson gets outpatient OT, which costs \$1,000.

The Medicare-approved limit is \$1,590.

- Medicare pays 80% of the \$1,000 cost (\$800).
- Ms. Jackson pays 20% of the cost (\$200).

If Ms. Jackson needs more OT in 2003, Medicare will cover 80% of up to \$590 in additional OT costs (reaching the \$1,590 limit). After she reaches the limit, she can choose to go to a hospital outpatient department to get therapy services. Ms. Jackson would still have to pay the copayment for these services.

Any outpatient PT, SLP, or OT received before September 1, 2003 doesn't count toward the outpatient therapy limit for 2003. In 2004, the limits will apply to therapy services for the whole calendar year.

Remember: In most cases, the therapy limits don't apply to outpatient therapy you get at hospital outpatient departments. However, the \$1,590 limits do apply if you get therapy services at the hospital outpatient department if you are in the Medicare-certified part of a skilled nursing facility.

For more information, look at www.medicare.gov on the web or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.